

# Outpatient Hospital Therapy

Division of Health Care Financing  
Committee-Identified Issues – May 4, 2005



# Outpatient Hospital Therapy Reimbursement

- Therapy services provided at outpatient hospital facilities are currently reimbursed under an all-inclusive daily rate instead of the therapy rate paid to other providers.
- Hospital outpatient daily rates average \$139.
- The average daily rate for therapy services provided outside of a hospital is \$63.



# Outpatient Hospital Therapy Reimbursement

- Chapter 49.45, Wis. Stats., states that reimbursement or payment for outpatient hospital services may not exceed reimbursement or payment for comparable services performed by providers not owned or operated by hospitals.
- This proposal would provide consistent policy and reimbursement guidelines to all therapy providers.



# Outpatient Hospital Therapy Prior Authorization

- Prior authorization is required for therapy services provided in an outpatient hospital setting; however, the hospital billing format does not allow PA to be implemented. As a result, outpatient hospital claims are paid regardless of compliance with PA requirements.
- Outpatient hospitals that provide therapy services would be dually certified as therapy providers, allowing PA requirements to be applied uniformly to all therapy services.
- Net savings: \$4.0 million GPR, \$9.6 million AF during the biennium.

